

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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SOCIAL SECURITY RETURNS

Initial Information Forms Must Be Filed by July 31, 1937

Every canner who employs one or more persons, and thus is subject to the Old-Age Benefit taxes imposed by Title VIII of the Federal Social Security Act, must file his initial information return under the Old-Age Benefit program on or before July 31, 1937.

This information return must be distinguished from the monthly tax return which canners have been filing with the Federal government on Form SS-1. These SS-1 tax returns have contained only a summary of the total taxable wages paid during the month covered by the return, together with a statement of the employer and employee taxes due and payable on these wages. Payment of the taxes accompanied the filing of the return.

In contrast, the initial information returns cover the entire period from January 1 to June 30, 1937. They are designed to furnish the Federal Bureau of Internal Revenue and the Social Security Board, not only with a summary of the total taxable wages paid during the entire six-month period, but also with detailed information as to the wages paid to each individual employee. They are information returns solely, and are not to be accompanied by any tax payments. Two forms are used, SS-2 and SS-2a. Form SS-2 contains the summary information of total wages paid during the period, and SS-2a the detailed information for each employee.

In making these information returns the canner must first fill out a separate form SS-2a for each and every person who has been employed by him during the six-month period, and to whom taxable wages have been paid, whether that person is still employed or not, and irrespective of whether the worker was permanent or temporary, full or part-time, casual, seasonal, or otherwise. This form must give the employee's name, his Social Security account number, and the total taxable wages paid to the employee during the period. In computing total taxable wages, wages paid for services rendered prior to January 1, 1937, wages in excess of \$3000, and wages paid in exempt employments, are excluded. The fair value of any food, housing, clothes, etc., furnished to the employee must be included, however.

In addition, the Form SS-2a must show the name and address of the employer, his identification number, and the State in which the employee worked.

It should be observed that in filling out these SS-2a forms the canner must give not only his identification number, but the account number of every person who has worked for him during the six-month period, whether permanent, temporary, seasonal, or otherwise, and even though the employee may only have worked one day, or less. If the employer has not yet received an identification number, he must give the

date he applied for a number and the name and address of the post office to which the application was addressed. If the canner does not know the account number of any one of his employees, he must take steps to find out the number, and if none has been issued and no application has been filed, the canner must file an application for the employee.

Where the worker is still employed by the canner it will be a simple matter to determine whether he has a number, and if so what it is. Where the employee no longer works for the canner, the Social Security Board has suggested that the employer file an application form (SS-5) with sufficient information to identify the employee. This can be checked with the files to determine whether an account number has been issued. If the employee has applied for a number but none has been received, the canner should report on Form SS-2a the date of the application and the agency to which it was addressed.

In any case where an employee did not have a number on June 30, 1937, and had not applied for one, or where an employee had left the canner's services prior to June 30th without procuring or applying for a number, the regulations issued by the Bureau of Internal Revenue impose upon the canner the duty of filing an application for an account number for the employee. This application should be made on Form SS-5. The canner should fill it out as completely as the information in his possession will permit, and should state his reasons for filing it. In making out his information returns on Form SS-2a, he should report the date of the application, and the agency to which it was addressed. (The problem of procuring account numbers for seasonal employees was discussed in detail in the INFORMATION LETTER of May 24, 1937, at p. 5256.)

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WOULD CHANGE LABOR BILL

Representative Ramspeck Outlines His Views on Pending Legislation

In a formal statement, issued on June 26th, Representative Ramspeck of Georgia, ranking member of the House Labor Committee, discussed changes that he believes should be made in the labor bill upon which the House and Senate Labor Committees recently concluded hearings. He expressed his opinion that the Black-Connery Bill will be enacted in some form, and his purpose to do what he could toward making it less objectionable and more practicable. Representative Ramspeck's statement follows:

"The Black-Connery Bill, providing for federal regulation of hours and wages, is perhaps the most far-reaching proposal made since the enactment of the National Industrial Recovery Act. It has caused many of our people to be apprehensive of the results if it is enacted.

"The Senate and House Committees on Labor have just concluded joint hearings on this proposal which consumed three weeks with both morning and afternoon sessions. Every person requesting the right to appear was heard.

"The purpose of this proposal, stated briefly, is to outlaw child labor and stop 'chiseling'. By the latter expression, I refer to the employer who through the payment of very low wages and by working his employees very long hours is enabled to undersell his fairer competitor. There are other subjects in the bill, but these two are its principal objects.

"With these objects practically every witness appearing before the committees agree. I think it can be fairly said that at least 85 per cent of the employers of the country are trying to maintain fair wages, reasonable hours and proper working conditions.

"Having in mind the confusion, the conflicting rulings and the cost of administration of the codes under N.R.A., most of the employers appearing before the committees have opposed the bill as now written. Many of them have advocated a flat or rigid minimum wage and hour regulation rather than to give a board in Washington power to fix wages and hours.

"I am in sympathy with the purposes of the proposal as I have outlined them, to wit: The elimination of child labor and the prevention of one employer securing an advantage over his competitors through low wages and long hours.

"If I could rewrite the bill, which, of course, I cannot do, I would change the present proposal as follows:

"1. I would not permit the law to apply in any case where an employer had signed an agreement as to hours and wages with a union of his employees, provided such union had been certified by the National Labor Relations Board as the agency entitled to represent such employees.

"2. I would then provide that only after complaint was filed by an employer or an employee, the board would investigate, and if it should be found that the employer against whom the complaint was filed, through the payment of low wages or the working of long hours, was securing an advantage over his competitors, the board should fix such wages and such hours as would bring this employer into line with the wages and hours paid by his competitors to such an extent that this advantage would be eliminated.

"My reason for the first proposal is that I strongly feel that the problem of hours and wages and working conditions can best be settled by negotiation between employees and their employer. My proposal would encourage this practice. Under this plan all local conditions would be taken into consideration and sudden and violent changes would not be apt to occur.

"My second proposal is founded upon the assumption that the person sought to be regulated is the employer who refuses to maintain the standards as to wages and hours practiced by the fair employers.

"If conditions in any plant are satisfactory to the employees and if the competitors of that employer cannot show a disadvantage arising from the practices of the particular employer, then why subject him to a law such as is proposed?

"There are other minor changes which I think should be considered in the interest of simplification and to prevent the extension of the proposed act into fields which brought grief to the N.R.A. We ought not to forget that before the Supreme Court decision public sentiment had turned against

the Blue Eagle. This country is governed by public sentiment and no statute will be enforced against a majority. It must have the support of the majority before it can be made effective against the minority for whom it is written.

"It is my opinion that the Black-Connery Bill will be enacted in some form, and therefore it is my purpose to do what I can toward making it less objectionable and more practicable."

SOCIAL SECURITY RETURNS

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Copies of the applications for account numbers (Form SS-5) may be procured from field offices of the Social Security Board, or from local post offices in towns having no field office. The executed applications may be filed only with field offices of the Social Security Board, since on June 30, 1937, the Post Office Department turned over to the Social Security Board the task of issuing the numbers.

After making out a separate Form SS-2a for each employee, the canner must fill out Form SS-2. This requires a statement of the total number of employees to whom taxable wages were paid during the period. The canner must give the total of taxable wages paid by him during the period as reported on his separate SS-2a forms. In addition, he must give the total of the taxable wages previously reported by him on his monthly returns on Form SS-1. If for any reason the totals do not equal each other this discrepancy must be explained. The employer's name, address, and identification number complete the return.

Form SS-2 containing this summary information must be made out in triplicate. One copy of Form SS-2a for each employee should be attached to the original and duplicate copy of SS-2 and the whole should be filed with the Collector of Internal Revenue for the district in which the canner has his principal place of business, on or before July 31, 1937. Copies of the prescribed forms may be obtained from the local Collectors of Internal Revenue. Although this initial information return covers a six-month period, in the future they will be required quarterly.

Severe penalties are imposed for failure to file returns required under Federal law, and wilful failure to file a return may be punished by a fine of not more than \$10,000 and imprisonment for not more than one year.

Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

	Week ending—			Season total to—	
	June 26 1936	June 26 1937	June 19 1937	June 26 1936	June 26 1937
VEGETABLES					
Beans, snap and lima	195	92	135	7,437	7,799
Tomatoes.....	1,488	1,400	1,690	14,601	14,375
Green peas.....	180	210	177	4,373	4,064
Spinach.....	5	6	1	7,407	8,106
Others:					
Domestic, competing directly....	1,526	1,064	2,660	71,183	81,473
FRUITS					
Citrus, domestic....	2,108	1,566	2,031	106,685	119,295
Imports.....	24	15	16	655	250
Others, domestic....	1,509	1,327	1,012	12,725	11,012

CANNED FOOD SALES**Wholesale Distribution of Canned Foods Reported by Bureau of Census for 1935**

Net sales of canned foods through wholesale distributing agencies of \$884,982,000 were reported by the Bureau of Census for 1935. This does not represent the total volume of wholesale business in canned foods as reports for certain small wholesalers are not included.

The reports made by the Census were designed primarily to show the volume of business handled by the various types of wholesalers. Approximately half of the sales of canned foods is handled by "Full-Service and Limited-Function Wholesalers" referred to in the following table as "Wholesalers". "Agents and Brokers" were next in importance from the standpoint of volume of canned foods handled with "Manufacturers' Sales Branches" handling the third largest amount.

Canners probably are more interested in a geographic distribution of sales rather than a distribution of sales among the various wholesale agencies. Data are available to show the sales in New York, Chicago and San Francisco-Los Angeles separate from the United States total.

The following table shows that about 14 per cent of the total canned foods sold in the United States is distributed through New York City wholesale agencies. The Chicago wholesale distributors accounted for slightly less than 8 per cent of the total whereas the two principal cities in California accounted for slightly less than 10 per cent. In both New York and Chicago, the greatest volume of canned foods was distributed through "Wholesalers" whereas in the San Francisco-Los Angeles district, "Agents and Brokers" sold the greatest amount.

Tabulated below are the net sales of canned foods for 1935 expressed in units of \$1,000.

	New York	Chicago	San Francisco- Los Angeles combined	Total U. S.
I. Wholesalers.....	73,869	34,525	23,150	415,710
II. Manufacturers' Sales Branches.....	22,803	19,437	22,854	174,002
V. Agents and Brokers.....	29,573	14,536	34,204	292,014
VI. Assemblers of Farm Products.....	75	2,140	3,256
Total.....	126,320	68,498	82,348	884,982

The wholesaling agencies I, II and V in the table above accounted for most of the canned food sales. Under each of these types of wholesale agencies, there are many specialized houses which for canned foods "Groceries-Full Line" and "Groceries-Specialties" handled the bulk of the sales. Full-line grocery establishments operating as either full-service or limited-function wholesalers accounted for \$281,761,000. Grocery specialty house wholesalers sold \$111,185,000 worth of canned foods. In addition to these, \$22,764,000 worth of canned foods were sold by wholesale houses specializing in general merchandise, tobacco, liquors, and miscellaneous products.

The following table shows the types of canned foods sold by the major wholesale distributing agencies. In fact, the total shown in the following table accounts for all except \$42,057,000 worth reported in the table above.

In analyzing the following table, the reader's attention should be called to the fact that the column headed "Others" is made up of canned foods that were not itemized. It is presumed, however, that the bulk of these are canned vegetables. The figures in this table are expressed in units of \$1,000.

	Fruits	Vegetables	Fish and Sea Foods	Meats	Milk	Others	Total
I. Groceries—Full Line.....	40,203	60,419	17,763	10,451	20,886	132,039	281,761
Groceries—Specialties.....	13,519	19,426	19,953	5,175	14,695	38,417	111,185
II. Groceries—Specialties.....	24,109	12,965	14,333	26,630	36,852	46,543	161,423
V. Groceries—Specialties.....	57,331	78,287	45,639	5,544	19,245	82,510	288,556
Total U. S.....	135,162	171,097	97,688	47,806	91,678	299,509	842,925

Forecast of Freight Movement

Freight car loadings in the third quarter of 1937 are expected to be about 7.9 per cent above actual loadings in the same quarter of 1936, according to estimates made public by the Association of American Railroads.

On the basis of these estimates, freight car loadings of the twenty-nine principal commodities will be 6,539,536 cars in the third quarter of 1937, compared with 6,058,269 actual car loadings for the same commodities in the corresponding period last year.

Loadings of canned goods, including catsup, jams, jellies, olives, pickles, preserves, etc., during the third quarter are

estimated at 81,462 cars, as compared with actual loadings of 78,893 cars in the corresponding quarter of 1936, an increase of 3.3 per cent.

Florida Canned Citrus Shipments to West Coast

Exports of canned citrus products from Tampa to Pacific Coast points in May totaled 118,863 cases, according to the Jacksonville office of the Bureau of Foreign and Domestic Commerce, made up as follows: Orange and grapefruit juice, 15 cases; mixed grapefruit and juices, 29,987 cases; grapefruit, 52,217 cases; grapefruit juice, 35,113 cases.

CONGRESS SUMMARY

Federal Trade Appropriation Bill Signed—Agricultural Legislation Progresses

On June 29th the President signed the independent offices appropriation bill, which provides increased funds for the Federal Trade Commission for the current fiscal year. According to testimony before the Appropriation Committees the increase was necessary because of the Robinson-Patman Act work undertaken by the Commission, and although no part of the total appropriation of \$1,981,000 was earmarked for price discrimination enforcement, the figure is approximately \$450,000 above the allotment appropriated for the year just ended. The \$1,500,000,000 relief measure and the resolution extending the so-called "nuisance" taxes for a two-year period were also signed by the President during the week.

The Senate cleared its calendar early in the week of all minor unobjected bills, then passed the House bill which would continue for another year the emergency $3\frac{1}{2}$ per cent interest rate on land bank loans and which would lower the interest rate on land bank commissioner loans from 5 to 4 per cent. It is understood from remarks made in the Senate that the bill may possibly be vetoed since the President and the Governor of the Farm Credit Administration have both been opposed to the measure. An appropriation for the Civilian Conservation Corps and for the Railroad Retirement Account also passed the House and Senate.

In the meantime the House on Tuesday passed with minor amendments the new farm tenancy bill. The proposed bill was taken up by the Senate on Thursday and passed the following day after the Senate proposal, which differs materially from the House bill, had been adopted as a substitute. The bill will be returned to the House for concurrence in the Senate's action.

The Tydings-Miller resale price maintenance bill (S. 100—H. R. 1611) which had been sidetracked by both the House and Senate after having received favorable Committee action was added as a rider to the District of Columbia tax bill by the Senate District Committee on Friday. It will be recalled that the President had written Congress late in April that the measure in his opinion was untimely in view of the present trend of advancing prices. The President's letter of comment may be found in the INFORMATION LETTER of May 1st.

Senator Black's Committee on Education and Labor has met continuously throughout the week in executive discussion on the administration labor bill. On Friday the House Labor Committee met for the first time on the same proposal.

The House Agricultural Committee expects to report on crop insurance, sugar quota, and general farm legislation during the coming week. Chairman Lea's House Committee on Interstate and Foreign Commerce is still working on the Wheeler-Lea amendment to the Federal Trade Commission Act, with another meeting scheduled for July 7th.

Leaflet on Canned Apricots

With last week's issue of the INFORMATION LETTER was mailed a copy of the latest leaflet issued by the Home Economics Division in its series on various products of the industry.

Additional copies of "Canned Apricots" can be obtained upon application to the Association.

Panama to Get Canned Milk Plant

The concession given to the Nestle and Anglo-Swiss Milk Company to establish a factory to manufacture condensed and evaporated milk in Panama became effective May 28 when this concern posted a cash bond of \$100,000 for faithful fulfillment of its contract, according to the American commercial attache at Panama.

It will be recalled that after this company negotiated its contract to establish a milk canning plant in Panama the National Assembly provided facilities for other concerns desiring to submit proposals and the period for receiving all proposals terminated May 28. The Nestle and Anglo-Swiss people were the only ones to submit a proposal.

Work is expected to start on the factory in the near future as the government provides that six months before the concern begins to manufacture the import duty will be raised to 20 cents a gross kilo on evaporated milk and 25 cents a kilo on condensed milk. The Nestle and Anglo-Swiss Milk Company, however, will be permitted to continue importing their products at the present rate of duty, which is 4 cents a kilo for condensed milk and 6 cents a kilo for evaporated.

Temperature and Rainfall Records

The following table gives the average temperature and total rainfall for the principal pea-growing districts for each of the last two weeks, as shown by the U. S. Weather Bureau reports for selected stations in these districts:

District	Week ended June 22, 1937		Week ended June 29, 1937	
	Temp.	Rain	Temp.	Rain
Maine.....	63	1.8	62	.3
Western New York.....	67	1.7	68	.6
Tri-States.....	74	1.0	74	1.1
South Central Ohio.....	72	1.3	73	2.6
Central Indiana.....	72	.7	76	.0
Central Illinois.....	73	2.7	78	.4
Northern Illinois, Southern Wisconsin.....	70	1.8	75	.2
Southern Minnesota.....	73	1.5	74	.2
Northern Colorado.....	74	.0	70	1.2
Northern Utah.....	73	.0	75	.0
Northwestern Washington.....	58	1.9	64	.6
Southeastern Washington.....	64	.8	69	.5

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